

No. 24

October 3, 2001

## **H.R. 2506 — Foreign Operations, Export Financing, and Related Programs Appropriation Bill, FY 2002**

Calendar No. 147

Reported with an amendment in the nature of a substitute from the Committee on Appropriations on September 4, 2001, by a 29-0 vote. S. Rept. 107-58.

### **NOTEWORTHY**

- As reported by the Committee on Appropriations, H.R. 2506 provides a total of \$15.57 billion in new budget authority for foreign aid programs in FY 2002. This is \$341.2 million above the Administration's request of \$15.23 billion and \$627.7 million above the FY 2001 appropriations level of \$14.94 billion.
- The Committee bill funds most of the President's requests at or above the request level, with a few exceptions, such as aid to the **Andean countries**. The Andean aid request was for \$882 million, of which \$731 million was for counterdrug programs. The bill contains \$718 million, with \$567 million for counterdrug programs. The bill also contains the caps on military and civilian personnel put into law last year. That language caps military personnel at 500 people, and 300 people for civilian contractors in Colombia.
- As in past years, aid to **Israel and Egypt** is funded at the President's request levels (for Israel, \$2.04 billion in military aid, and \$720 million in economic aid; for Egypt, \$1.30 billion in military aid and \$655 million in economic aid).
- H.R. 2506 includes longstanding prohibitions regarding the use of U.S. government funds to perform or promote abortion. The Committee bill includes language mandating that family planning funds provided to nongovernmental and multilateral organizations may not be subject to requirements more restrictive than those applicable to governments for such assistance; this means that foreign private organizations may not be subjected to what are known as "Mexico City" restrictions, which would deny family planning funds to foreign private organizations that use non-U.S. government funds for abortion.

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## HIGHLIGHTS

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H.R. 2506 provides \$15.52 billion for discretionary spending and \$44.9 million for mandatory spending.

### Foreign Operations Appropriations, FY 2002

(Dollars, in thousands)

Appropriation Account	FY 2001 Level	Budget Estimate	Senate Committee Recommendation
Title I, Export and Investment Assistance	741,000	485,955	604,955
Title II, Bilateral Economic Assistance	9,186,414	9,456,880	9,680,029
Title III, Military Assistance	3,760,875	3,889,000	3,889,000
Title IV, Multilateral Economic Assistance	1,332,879	1,395,796	1,394,896
<b>Totals</b>	<b>15,021,168</b>	<b>15,227,631</b>	<b>15,568,880</b>

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## BILL PROVISIONS

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## Title I: Export Assistance

This title provides \$605 million in funding for institutions that support U.S. exports: \$753 million for the **Export-Import Bank**, plus \$64 million for administrative expenses; no subsidy appropriation for the **Overseas Private Investment Corporation (OPIC)**, as per the Administration's request because of \$24 million in available carryover funds, but does provide \$38.6 million in administrative expenses; and \$50 million for the **Trade and Development Agency**. (NOTE: Because of revenues generated by the institutions funded under this title, the total appropriation is less than the sum of the individual line-item appropriations.)

## Title II: Bilateral Economic Assistance

This title appropriates funds for carrying out the provisions of the Foreign Assistance Act of 1961. For FY 2002, the Committee recommendation is \$9.68 billion, an increase of \$493.6 million over the FY 2001 appropriation and \$223.1 million more than the budget request.

- The two major components of bilateral economic assistance are the **Child Survival and Health Programs Fund** and the **Development Assistance** account. The Child Survival and Health Programs Fund was allocated \$1.455 billion. This account contains \$450 million for HIV/AIDS, including a \$50 million contribution to the **Global Fund** (this is in addition to the \$100 million contribution included in the FY 2001 Supplemental); \$325 million for child survival and maternal health; \$120 million for UNICEF, and \$175 million for other infectious diseases, including tuberculosis and malaria. Also included under the Child Survival account is \$450 million for voluntary family planning, which is \$25 million above the request. The Development Assistance account was provided \$1.24 billion and includes \$135 million for basic education programs and funds for agriculture programs, including \$30 million for plant biotechnology research and development.
- Country earmarks include Burma (\$6.5 million), Cyprus (\$15 million), China (\$10 million for programs to promote political and legal changes, including \$5 million for democracy activities in China and Tibet), East Timor (\$25 million), Indonesia (\$135 million), Lebanon (\$35 million), and Mongolia (\$12 million).
- **International Disaster Assistance** receives \$255 million, which is \$90 million more than the FY 2001 appropriation and \$55 million more than the budget estimate.
- **Economic Support Funds** total \$2.24 billion, of which \$720 million is earmarked for Israel, \$655 million for Egypt, and \$150 million for Jordan.
- The Committee allocates \$603 million for **Eastern Europe and the Baltic states** pursuant to the 1989 Support for East European Democracy (SEED) Act, of which \$45 million is for Montenegro, and \$115 million for Serbia (contingent upon cooperation on war crimes, ending support for Bosnian Serb military and intelligence, and other reforms).

- The Committee provides \$800 million for the **New Independent States of the former Soviet Union**. Funds for Russia are again conditioned on Moscow's ceasing its support for Iran's nuclear program; in addition, funds are conditioned on Russia's cooperation with respect to international investigation of war crimes and atrocities in Chechnya and access to Chechnya of international humanitarian organizations. Country earmarks include \$180 million for Ukraine, \$90 million for Georgia, and \$90 million for Armenia.
- **The Peace Corps** is allocated \$275 million.
- **State Department programs** receive \$1.86 billion, including: **international narcotics control and law enforcement**, \$217 million; **migration and refugee assistance**, \$735 million (of which \$60 million is available only for refugees resettling in Israel); and **nonproliferation, antiterrorism, demining, and related programs**, \$326.5 million, of which \$40 million is available for demining, and \$95 million is recommended for the Korean Peninsula Energy Development Organization (KEDO).
- The **Andean Counterdrug Initiative** is funded at \$718 million, with \$567 million for counterdrug programs.

### **Title III: Military Assistance**

Under this title, the Committee recommends a total of \$3.89 billion, which is equal to the budget estimate and \$162 million above the base funding in FY 2001 (the base funding excludes \$33.9 million in FY 2001 emergency funding). The following should be noted:

- The Committee bill includes earmarks for **Foreign Military Financing** as follows: Israel (\$2.04 billion), Egypt (\$1.3 billion), and Jordan (\$75 million).
- The appropriation for **International Military Education and Training** is \$75 million.
- The Committee bill includes an appropriation of \$140 million for **peacekeeping activities**. This amount is \$13 million more than last year's appropriation but \$10 million less than the Administration request.

### **Title IV: Multilateral Organizations and Programs**

This title appropriates \$1.39 billion for U.S. contributions to international lending institutions — such as the International Bank for Reconstruction and Development (also called the World Bank), the International Development Association, the International Finance Corporation, and several regional banks — and for U.S. contributions to various international organizations and programs. The following should be noted:

- **International Lending Institutions** are provided \$1.18 billion, as follows: **World Bank**, \$775 million; **Global Environment Facility**, \$109.5 million; **Inter-American Development Bank**, \$20 million; **Asian Development Fund**, \$103 million; **African Development Bank**, \$5.1 million; **African Development Fund**, \$100 million; **European Bank for Reconstruction and Development**, \$35.8 million.
- The Committee bill allocates \$217 million for **international organizations and programs**, which is \$31 million more than both last year's spending and the budget estimate. Of these funds \$39 million is earmarked for the **United Nations Population Fund (UNFPA)**.

## **Title V: General Provisions**

This section contains a number of provisions directed toward specific policy questions, including the following:

Sec. 507 prohibits direct funding for Cuba, Iraq, Libya, North Korea, Iran, Sudan, and Syria.

Sec. 508 prohibits aid to countries whose elected government is deposed by military coup.

Sec. 523 bars indirect assistance to Cuba, Iraq, Libya, Iran, Syria, North Korea, and China.

Sec. 527 prohibits bilateral assistance to countries that support terrorism.

Sec. 535 states U.S. policy on terminating the Arab League boycott of Israel.

Sec. 541 states the sense of the Congress that American-made equipment and products should be purchased with funds made available in this Act.

Sec. 544 prohibits assistance to foreign governments that export lethal military equipment to countries supporting international terrorism.

Sec. 545 requires the deduction from the funds available to any country of an amount equal to 110 percent of the unpaid parking fines owed to the District of Columbia or New York City by that country.

Sec. 546 limits assistance for the PLO for the West Bank and Gaza.

Sec. 547 permits a drawdown of up to \$35 million to support the United Nations War Crimes Tribunal for the former Yugoslavia, as well as other such tribunals.

Sec. 549 restricts funds for the purposes of creating in any part of Jerusalem a new office of any U.S. government agency for the purpose of conducting official business with the Palestinian Authority.

Sec. 551 gives the president authority to grant debt relief to certain poorest nations.

Sec. 555 limits assistance to security forces based on credible evidence of gross violations of human rights.

Sec. 563 bars assistance to the armed forces of Colombia unless the President certifies that personnel who have committed gross violations of human rights are being suspended, that the Colombia armed forces are cooperating with civilian prosecutors, and that the armed forces are severing links with paramilitary groups.

Sec. 564 denies visas to supporters of Colombian illegal armed groups.

Sec. 574 bars bilateral and multilateral funds (other than for humanitarian, democracy, various nation-building programs, and other exceptions) to Croatia, Serbia, Bosnia and Herzegovina, Montenegro, and Kosovo, pending presidential certification regarding transferral of indicted war criminals to the International Criminal Tribunal for the Former Yugoslavia.

Sec 575 bars aid to Serbia unless the President certifies that Yugoslavia is cooperating with the U.N. war crimes tribunal, ending support for the Republika Srpska, and taking positive steps on minority rights and the rule of law.

Sec. 579 prohibits the use of funds for abortion or involuntary sterilization.

Sec. 590 provides that in determining eligibility for funds, foreign nongovernmental and multilateral organizations may not be subjected to requirements more restrictive than the requirements applicable to foreign governments for such assistance (i.e., that they not advocate or perform abortion with non-U.S. government funds), and shall not be ineligible for such assistance solely on the basis of health or medical services provided (i.e., abortion-related services) if such services do not violate the laws of the country in which they are being provided and would not violate United States federal law if provided in the United States.

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## **ADMINISTRATION POSITION**

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No Statement of Administration Policy (SAP) was available at press time.

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## **COST**

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H.R. 2506 provides budget authority of \$15.52 billion for discretionary spending and \$44.8 million for mandatory spending. With regard to outlays, the Committee, in consultation with the Congressional Budget Office, estimates that this bill would result in outlays of \$5.63 billion in FY 2002,

\$4.95 billion in FY 2003, \$2.55 billion in FY 2004, \$1.02 billion in FY 2005, and \$1.2 billion in FY 2006 and beyond.

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## **POSSIBLE AMENDMENTS**

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McConnell/Leahy. Expand the President's authority under Sections 507 and 523 (which bar direct and indirect assistance to enumerated states) to withhold assistance to any state that harbors or funds terrorists in relation to the 9/11 attacks.

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